



# KING COUNTY INVESTMENT POOL NEWSLETTER

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## Portfolio Breakdown

The following is a breakdown of the Investment Pool holdings for March 2008

	Average (\$000)	% of Portfolio
U.S. Agency Securities	2,236,345	57.5%
Commercial Paper	194,504	5.0%
Taxable Municipal Securities	63,513	1.6%
Bankers Acceptances	-	0.0%
U.S. Agency Mortgage-backed Securities	83,897	2.2%
Repurchase Agreements	213,032	5.5%
Treasury Securities	19,258	0.5%
Certificates of Deposit	718,524	18.5%
Local Government Investment Pool	356,895	9.2%
Reverse Repurchase Agreements	-	0.0%
<b>Total</b>	<b>\$3,885,969</b>	

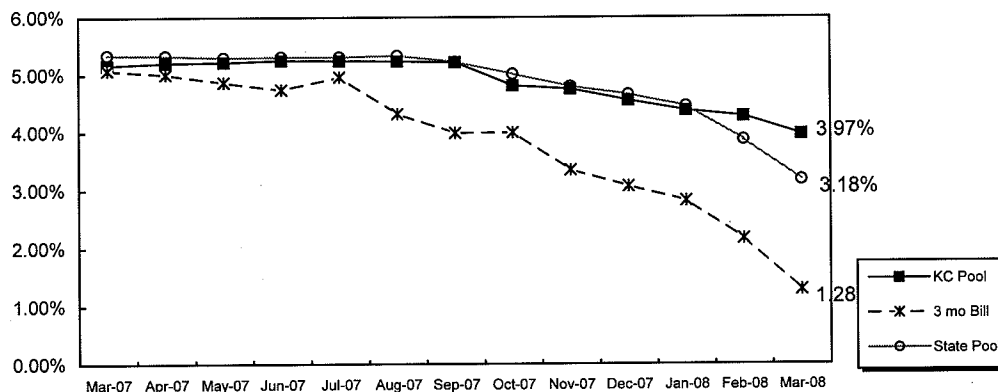
\*Average Pool Effective Duration: 0.48 Years

\*Duration is a measure of the length of the portfolio's expected cash flows and is a better measure of average portfolio life than maturity.

## King County Pool Rating

In January 2008, the rating of the King County investment pool was temporarily suspended by Standard & Poor's pending further information being available on the outcome of restructuring proposals associated with each impaired investment. Standard & Poor's took this action because they have not been able to receive timely information about the impaired investments due to the confidential nature of the various enforcement events and related restructuring proceedings. Based on the current expectation that restructuring proposals will be executed during the first half of 2008, King County fully expects the pool's AAAf rating to be restored by the third quarter of 2008.

## Investment Pool Performance (before Pool fees)



## Pool Net Asset Fair Value on March 31, 2008

Net Assets	3,851,138,026.98
Net Assets Consist of:	
Participant units outstanding (\$1.00 par)	3,926,467,609.70
Undistributed and unrealized gains(losses)	(75,329,582.72)
Net Assets	<u>3,851,138,026.98</u>
Net asset value at fair value price per share	
(\$3,851,138,026.98 divided by 3,926,467,609.70 units)	<u>0.9808</u>

Consistent with our monthly practice, King County has obtained market quotes on all investments, including the four distressed commercial paper investments. The distressed assets represent about 5% of the pool's month-end asset, and have been factored into the overall net asset value for the pool in March, which stands at about 98.08 cents per dollar invested in the pool. The distressed commercial paper investments are each part of "enforcement events" where a third party receiver is appointed to ensure maximum value to senior creditors, such as the County pool. Actual financial impacts to the pool cannot be determined until these enforcement events are concluded. On December 17, 2007 the County sent out an email to all pool members announcing the adoption of an "impaired investment policy" that will guide decision making and ensure equitable treatment for all pool members. King County remains committed to sharing information with pool members about investment holdings and the impacts of the current turmoil in global credit markets. Please call the Treasury Operations number at 206-296-7326 if you have questions or need any additional information.